

**PURCHASE POWER AGREEMENT**

between

**DUKE ENERGY PROGRESS, LLC**

and

**SELLER NAME**

**“Facility Name” Project**

**Contract Number:** \_\_\_\_\_

**Contract Date:** \_\_\_\_\_

**Initial Delivery Date:** \_\_\_\_\_

**PURCHASE POWER AGREEMENT BY A  
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

THIS PURCHASE POWER AGREEMENT ("Agreement") is made this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_, by and between

**DUKE ENERGY PROGRESS, LLC**  
a South Carolina Limited Liability Company ("Company").

, and

a(n) [insert place of formation \_\_\_\_\_] [insert entity type \_\_\_\_\_]  
("Seller"), for the Corporation ("Seller" or "Customer"), for the

" \_\_\_\_\_," **Project**

~~which~~ Seller hereby certifies that ~~the~~this Facility, as defined below, facility (is/is not) "new capacity,"  
as defined by the Federal Energy Regulatory Commission ("FERC"), and that construction of the  
Facility (was/was not) commenced on or after November 9, 1978, ~~and that the Facility and~~ is or will be  
a qualifying facility as defined by the Federal Energy Regulatory Commission ("FERC") pursuant to  
Section 210 of the Public Utility Regulatory Policies Act of 1978 ~~[and which is or will be a~~  
~~hydroelectric generating facility owned and operated by a small power producer as defined in G.S. 62-~~  
~~3(27a) (if applicable)]~~. The Facility as defined herein (the "Facility") shall consist of that certain  
[insert description of the Facility including fuel type and Nameplate Capacity rating in AC and DC]  
[where applicable, identify any Storage Resource connected to or incorporated into the Facility along  
with the Storage Resource's capacity (MW and MWh)] which is located at [insert facility  
address]. consisting of  
\_\_\_\_\_ (the "Facility"),  
which is located at \_\_\_\_\_.

(Hereinafter, the parties are also referred to individually as "Party" and collectively as "Parties").

In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their  
successors and assigns, do hereby agree to the following:

**1. Service Requirements**

1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the  
Facility, net of the Facility's own auxiliary electrical requirements; and Company shall purchase,  
receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the  
completion of the installation, by Company, of its system upgrades and interconnection facilities  
at the point of delivery of Seller's and Company's conductors, Seller shall become responsible for  
the payment to Company of any and all charges that may apply, whether or not Seller actually  
delivers any electricity to Company. -If Seller requests retail electric service for the Facility's  
auxiliary electrical requirements from Company when Seller's generation is reduced, standby,

~~back-up and/or maintenance power for the Facility's auxiliary electrical requirements from Company~~, such power shall be provided to Supplier pursuant to a separate electric service agreement under Company's rate tariffs appropriate for such service.

1.2 Electricity supplied by Seller shall be *[single (1)/three (3)]* phase, alternating at a frequency of approximately sixty (60) cycles, and at a delivery voltage of approximately \_\_\_\_\_ volts, \_\_\_\_\_ wires at a sufficient power factor to maintain system operating parameters as specified by Company.

1.3 Delivery of said Seller's power shall be at a point of delivery described as follows:

1.4 ~~T~~Based upon the alternating current rating, the Contract Capacity of ~~the Facility~~Seller's generating facility, as defined in the Terms and Conditions for the Purchase of Electric Power is \_\_\_\_\_ AC kW/MW. ~~The and~~ estimated annual energy production of ~~the Facility is~~ \_\_\_\_\_ kWh. ~~kWh is the amount Seller contracts to deliver to Company and Company agrees to receive.~~

## 2. Rate Schedule

The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with all the terms and conditions of Company's Purchased Power Schedule PP-\_\_\_\_ *[Variable Rate][5-year Fixed Long-Term Rate], [10-year Fixed Long-Term Rate] for [Distribution][Transmission] Interconnection]* ("Rate Schedule") and the Terms and Conditions for the Purchase of Electric Power, both of which are now on file with the Public Service Commission of South Carolina, ("Commission"), and are hereby incorporated by reference and made a part hereof as though fully set forth herein. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of said Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part hereof as though fully written herein, and shall nullify any prior provision in conflict therewith.

The language above beginning with "Said Rate Schedule" shall not apply to the Fixed Long-Term Rates themselves, or the Integration Services Charge, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges (e.g., administrative charges), and all non-rate provisions.

## 3. Initial Delivery Date

The term of this Agreement shall be a minimum of 5 years when contracting for capacity payments and shall begin upon the first date when energy is generated by the Facility and delivered to Company and continuing for the term specified in the Rate Schedule paragraph above and shall automatically extend thereafter at the as available rate unless terminated by either party by giving not less than thirty (30) days prior written notice. ~~The extension will be at the Variable Rates in effect at the time of extension.~~ The term shall be for \_\_\_\_\_ years and shall begin no earlier than the date Company's Interconnection Facilities are installed and are ready to accept electricity from Seller which is requested to be \_\_\_\_\_, ~~20~~\_\_\_\_. -Company at its sole discretion may

terminate this Agreement on July 2, 20—22 (30 months following the date of the order initially approving the rates selection shown above which may be extended beyond 30 months if (i) construction is nearly complete and ~~the~~ Seller demonstrates that it is making a good faith effort to complete its project in a timely manner, or (ii) where Seller's failure to begin delivery of power is due to Company's delays in completing interconnection facilities or system upgrades by the in-service date specified in the interconnection agreement between Seller and Company. Seller shall be given day-for-day extensions on its in-service date for any delays attributable to the in-service date of these interconnection facilities or system upgrades) if Seller is unable to provide generation capacity and energy production consistent with the energy production levels specified in Provision No. 1.42 above. -This date may be extended by upon mutual agreement by both parties.

#### 4. Interconnection Facilities

Unless otherwise required by Company, an Interconnection Agreement~~agreement to interconnect pursuant to the South Carolina Generator Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Interconnections (Interconnection Standard)~~ shall be executed by Seller, including ~~any applicable~~ payments of all charges and fees associated with the interconnection, before Company will accept this Agreement. *(Either sentence (a) or (b) as follows is inserted into the agreement as appropriate)* ~~-(a) -The Interconnection Facilities Charge shall be specified in the Interconnection Agreement.~~ ~~-or-~~ *(b) The Interconnection Facilities Charge shall be 21.0-% of the installed cost of metering equipment and is \$\_\_\_\_\_ per month.*

#### 5. Energy Storage

If the Facility is to be equipped with battery storage or other energy storage device (the "Storage Resource"), the Storage Resource shall be identified in this Agreement. In all cases, the Storage Resource must be charged solely by the Facility and the use of any Storage Resource shall be operated and equipped in accordance with the system operator's Energy Storage Protocol, a copy of which is attached hereto as Exhibit A, as may be modified from time to time by the system operator (the "Energy Storage Protocol").

#### 65. Reporting Requirements

Upon request, ~~facilities larger than 3,000 kW~~Seller may be required to provide prior notice of annual, monthly, and day-ahead forecast of hourly production, as specified by ~~the~~ Company. If ~~the~~ Seller is required to notify ~~the~~ Company of planned or unplanned outages, notification should be made as soon as known. ~~-Seller shall include the start time, the time for return to service, the amount of unavailable capacity, and the reason for the outage.~~

Upon the ~~execution/acceptance hereof~~ by Company and Seller ~~, evidenced by the signature of its Presidents, Vice Presidents or Authorized Representatives~~ in the block provided below, this Agreement ~~document~~ together with attachments shall become an agreement for Seller to deliver and sell to Company and for Company to receive and purchase from Seller the electricity generated and delivered to Company~~declared~~ by Seller from ~~its~~the above ~~-described~~ qualifying generating facility at the rates, in the quantities, for the term, and upon the terms and conditions set forth herein.

Witness as to Seller:

\_\_\_\_\_, **Seller**

Printed: \_\_\_\_\_

By \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

**ACCEPTED: DUKE ENERGY PROGRESS, LLC**

**Mail Payment/Bill to:**

By \_\_\_\_\_

Title \_\_\_\_\_

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Exhibit A**  
**Energy Storage Protocol For Schedule PP Sellers**

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, up or down.
6. Scheduling for capturing peak pricing periods and other storage limitations:
  - a. For all (winter and summer) months/days with capacity rate hours ("Capacity Hours"), the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant), on an expected basis, the total output of the Facility (combined output of solar generator and storage device) at the highest practical level over the duration of the Capacity Hours of such calendar day, except as limited by ramp rate criteria, inverter capability, and the Facility's Contract Capacity as specified in the Agreement.
    - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic (same hours for any desired discharge) that is applied to Weekdays/non-Holidays, for the respective month.
  - b. For the remaining (shoulder) months without Capacity Hour windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant), on an expected basis, the total output of the Facility (combined output of solar generator and storage device) at the highest practical level during the full am on-peak energy period and/or full pm on-peak energy period of the Seller's discretion, except as limited by ramp rate criteria, inverter capability, and the Facility's Contract Capacity as specified in the Agreement.
7. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.
8. If identification of Capacity Hours changes over the course of the term of the Agreement, Seller will make Commercially Reasonable Efforts to work with Company to adjust the hours of charging/discharging to coincide with these updated hours. However, Seller shall not be obligated to do so in a way that compromises their original economic value contemplated for storage resource.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.